

1
2
3 **UNITED STATES DISTRICT COURT**
4 **DISTRICT OF NEVADA**

5
6 **FEDERAL TRADE COMMISSION,**

7 Plaintiff,

8 v.

9 **CONSUMER DEFENSE, LLC, *et al.*,**

10 Defendants.

11
12 Case No. 2:18-cv-00030-JCM-PAL

13
14 **STIPULATION AND ORDER**
15 **CONTINUING HEARING ON**
16 **PRELIMINARY INJUNCTION**
17 **AND CONTINUING**
18 **TEMPORARY RESTRAINING**
19 **ORDER**

20
21 The FTC, the Receiver, and Defendants Jonathan Hanley and Sandra Hanley, by and through
22 their undersigned counsel, and *pro se* Defendant Benjamin Horton hereby stipulate and agree as
23 follows:

- 24 1. The parties seek a continuance of the January 24, 2018 hearing on the order to show
25 cause why a preliminary injunction should not be entered for at least two weeks, to occur
26 on or after February 7, 2018. Accordingly, Defendants shall appear on Wednesday,
27 February 7, 2018 at 10:00 a.m., at the United States Courthouse, Courtroom 6A, Las
Vegas, Nevada, to show cause, if any there be, why this Court should not enter a
preliminary injunction, pending final ruling on the complaint, against Defendants
enjoining them from further violations of the FTC Act and the Mortgage Assistance
Relief Services Rule, continuing the freeze of their assets, continuing the receivership
over the receivership entities, and imposing such additional relief as may be appropriate.
- 28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
5510
5511
5512
5513
5514
5515
5516
5517
5518
5519
5520
5521
5522
5523
5524
5525
5526
5527
5528
5529
55210
55211
55212
55213
55214
55215
55216
55217
55218
55219
55220
55221
55222
55223
55224
55225
55226
55227
55228
55229
55230
55231
55232
55233
55234
55235
55236
55237
55238
55239
55240
55241
55242
55243
55244
55245
55246
55247
55248
55249
55250
55251
55252
55253
55254
55255
55256
55257
55258
55259
55260
55261
55262
55263
55264
55265
55266
55267
55268
55269
55270
55271
55272
55273
55274
55275
55276
55277
55278
55279
55280
55281
55282
55283
55284
55285
55286
55287
55288
55289
55290
55291
55292
55293
55294
55295
55296
55297
55298
55299
552100
552101
552102
552103
552104
552105
552106
552107
552108
552109
552110
552111
552112
552113
552114
552115
552116
552117
552118
552119
552120
552121
552122
552123
552124
552125
552126
552127
552128
552129
552130
552131
552132
552133
552134
552135
552136
552137
552138
552139
552140
552141
552142
552143
552144
552145
552146
552147
552148
552149
552150
552151
552152
552153
552154
552155
552156
552157
552158
552159
552160
552161
552162
552163
552164
552165
552166
552167
552168
552169
552170
552171
552172
552173
552174
552175
552176
552177
552178
552179
552180
552181
552182
552183
552184
552185
552186
552187
552188
552189
552190
552191
552192
552193
552194
552195
552196
552197
552198
552199
552200
552201
552202
552203
552204
552205
552206
552207
552208
552209
552210
552211
552212
552213
552214
552215
552216
552217
552218
552219
552220
552221
552222
552223
552224
552225
552226
552227
552228
552229
5522210
5522211
5522212
5522213
5522214
5522215
5522216
5522217
5522218
5522219
5522220
5522221
5522222
5522223
5522224
5522225
5522226
5522227
5522228
5522229
55222210
55222211
55222212
55222213
55222214
55222215
55222216
55222217
55222218
55222219
55222220
55222221
55222222
55222223
55222224
55222225
55222226
55222227
55222228
55222229
552222210
552222211
552222212
552222213
552222214
552222215
552222216
552222217
552222218
552222219
552222220
552222221
552222222
552222223
552222224
552222225
552222226
552222227
552222228
552222229
5522222210
5522222211
5522222212
5522222213
5522222214
5522222215
5522222216
5522222217
5522222218
5522222219
5522222220
5522222221
5522222222
5522222223
5522222224
5522222225
5522222226
5522222227
5522222228
5522222229
55222222210
55222222211
55222222212
55222222213
55222222214
55222222215
55222222216
55222222217
55222222218
55222222219
55222222220
55222222221
55222222222
55222222223
55222222224
55222222225
55222222226
55222222227
55222222228
55222222229
552222222210
552222222211
552222222212
552222222213
552222222214
552222222215
552222222216
552222222217
552222222218
552222222219
552222222220
552222222221
552222222222
552222222223
552222222224
552222222225
552222222226
552222222227
552222222228
552222222229
5522222222210
5522222222211
5522222222212
5522222222213
5522222222214
5522222222215
5522222222216
5522222222217
5522222222218
5522222222219
5522222222220
5522222222221
5522222222222
5522222222223
5522222222224
5522222222225
5522222222226
5522222222227
5522222222228
5522222222229
55222222222210
55222222222211
55222222222212
55222222222213
55222222222214
55222222222215
55222222222216
55222222222217
55222222222218
55222222222219
55222222222220
55222222222221
55222222222222
55222222222223
55222222222224
55222222222225
55222222222226
55222222222227
55222222222228
55222222222229
552222222222210
552222222222211
552222222222212
552222222222213
552222222222214
552222222222215
552222222222216
552222222222217
552222222222218
552222222222219
552222222222220
552222222222221
552222222222222
552222222222223
552222222222224
552222222222225
552222222222226
552222222222227
552222222222228
552222222222229
5522222222222210
5522222222222211
5522222222222212
5522222222222213
5522222222222214
5522222222222215
5522222222222216
5522222222222217
5522222222222218
5522222222222219
5522222222222220
5522222222222221
5522222222222222
5522222222222223
5522222222222224
5522222222222225
5522222222222226
5522222222222227
5522222222222228
5522222222222229
55222222222222210
55222222222222211
55222222222222212
55222222222222213
55222222222222214
55222222222222215
55222222222222216
55222222222222217
55222222222222218
55222222222222219
55222222222222220
55222222222222221
55222222222222222
55222222222222223
55222222222222224
55222222222222225
55222222222222226
55222222222222227
55222222222222228
55222222222222229
552222222222222210
552222222222222211
552222222222222212
552222222222222213
552222222222222214
552222222222222215
552222222222222216
552222222222222217
552222222222222218
552222222222222219
552222222222222220
552222222222222221
552222222222222222
552222222222222223
552222222222222224
552222222222222225
552222222222222226
552222222222222227
552222222222222228
552222222222222229
5522222222222222210
5522222222222222211
5522222222222222212
5522222222222222213
5522222222222222214
5522222222222222215
5522222222222222216
5522222222222222217
5522222222222222218
5522222222222222219
5522222222222222220
5522222222222222221
5522222222222222222
5522222222222222223
5522222222222222224
5522222222222222225
5522222222222222226
5522222222222222227
5522222222222222228
5522222222222222229
55222222222222222210
55222222222222222211
55222222222222222212
55222222222222222213
55222222222222222214
55222222222222222215
55222222222222222216
55222222222222222217
55222222222222222218
55222222222222222219
55222222222222222220
55222222222222222221
55222222222222222222
55222222222222222223
55222222222222222224
55222222222222222225
55222222222222222226
55222222222222222227
55222222222222222228
55222222222222222229
552222222222222222210
552222222222222222211
552222222222222222212
552222222222222222213
552222222222222222214
552222222222222222215
552222222222222222216
552222222222222222217
552222222222222222218
552222222222222222219
552222222222222222220
552222222222222222221
552222222222222222222
552222222222222222223
552222222222222222224
552222222222222222225
552222222222222222226
552222222222222222227
552222222222222222228
552222222222222222229
5522222222222222222210
5522222222222222222211
5522222222222222222212
5522222222222222222213
5522222222222222222214
5522222222222222222215
5522222222222222222216
5522222222222222222217
5522222222222222222218
5522222222222222222219
5522222222222222222220
5522222222222222222221
5522222222222222222222
5522222222222222222223
5522222222222222222224
5522222222222222222225
5522222222222222222226
5522222222222222222227
5522222222222222222228
5522222222222222222229
55222222222222222222210
55222222222222222222211
55222222222222222222212
55222222222222222222213
55222222222222222222214
55222222222222222222215
55222222222222222222216
55222222222222222222217
55222222222222222222218
55222222222222222222219
55222222222222222222220
55222222222222222222221
55222222222222222222222
55222222222222222222223
55222222222222222222224
55222222222222222222225
55222222222222222222226
55222222222222222222227
55222222222222222222228
55222222222222222222229
552222222222222222222210
552222222222222222222211
552222222222222222222212
552222222222222222222213
552222222222222222222214
552222222222222222222215
552222222222222222222216
552222222222222222222217
552222222222222222222218
552222222222222222222219
552222222222222222222220
552222222222222222222221
552222222222222222222222
552222222222222222222223
5522

1 FTC may file responsive or supplemental pleadings, materials, affidavits, or memoranda
2 with the Court and serve the same on counsel for Defendants no later than one (1) day
3 prior to the order to show Cause hearing. Provided that such affidavits, pleadings,
4 motions, expert reports, declarations, legal memoranda or oppositions must be served by
5 personal or overnight delivery, facsimile or email, and be received by the other party or
6 parties no later than 5:00 p.m. (PST) on the appropriate dates set forth in this Section.
7

- 8 3. An evidentiary hearing on the FTC's request for a preliminary injunction is not necessary
9 unless Defendants demonstrate that they have, and intend to introduce, evidence that
10 raises a genuine and material factual issue. The question of whether this Court should
11 enter a preliminary injunction shall be resolved on the pleadings, declarations, exhibits,
12 and memoranda filed by, and oral argument of, the parties. Live testimony shall be heard
13 only on further order of this Court. Any motion to permit such testimony shall be filed
14 with the Court and served on counsel for the other parties at least five (5) days prior to
15 the preliminary injunction hearing in this matter. Such motion shall set forth the name,
16 address, and telephone number of each proposed witness, a detailed summary or affidavit
17 revealing the substance of each proposed witness's expected testimony, and an
18 explanation of why the taking of live testimony would be helpful to this Court. Any
19 papers opposing a timely motion to present live testimony or to present live testimony in
20 response to another party's timely motion to present live testimony shall be filed with this
21 Court and served on the other parties at least three (3) days prior to the order to show
22 cause hearing.
- 23
- 24
- 25
- 26
- 27

4. Except as provided in Section 5 below, the Temporary Restraining Order entered on January 10, 2018 (ECF No. 12) shall continue in full force and effect as to Defendants until after the rescheduled hearing on the order to show cause.
 5. The asset freeze provisions of the Temporary Restraining Order are hereby modified as follows:
 - a. Defendants Jonathan Hanley, Sandra Hanley, and Benjamin Horton each may retain and spend income received from employment unrelated to mortgage assistance relief services performed after the date of entry of this Order;
 - b. Defendants Jonathan Hanley, Sandra Hanley, and Benjamin Horton each may retain and spend assets acquired by loan or gift after the date of entry of this Order only after identifying such assets to FTC counsel; provided, however, that this section does not apply to loans or gifts valued at less than \$500
 6. This agreement shall be without prejudice to any party.

IT IS SO STIPULATED.

/s/Adam M. Wesolowski

ADAM M. WESOLOWSKI
GREGORY A. ASHE
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20850
Telephone: 202-326-3068 (Wesolowski)
Telephone: 202-326-3719 (Ashe)
Facsimile: 202-326-3768
Email: awesolowski@ftc.gov; gashe@ftc.gov

/s/Matthew Lewis (by permission)

MATTHEW LEWIS
Ray, Quinney & Nemeker
36 South State Street
Suite 1400
Salt Lake City, UT 84111
Telephone: 801-532-1500
Facsimile: 801-532-7543
Email: mlewis@rqn.com

DAYLE ELIESON
United States Attorney
BLAINE T. WELSH
Assistant United States Attorney
Nevada Bar No. 4790

1 333 Las Vegas Blvd. South, Suite 5000
2 Las Vegas, Nevada 89101
3 Phone: (702) 388-6336
4 Facsimile: (702) 388-6787

5 Attorneys for Plaintiff

6 */s/Andrew Robertson (by permission)*
7 ANDREW ROBERTSON
8 EDWARD CHANGE
9 McNamara Smith LLP
10 655 West Broadway, Suite 1600
11 San Diego, CA 92101
12 Telephone: 619-269-0400
13 Facsimile: 619-269-0401
14 Email: a Robertson@mnamarallp.com,
15 echang@mnamarallp.com

16 Attorneys for Thomas McNamara, Court-
17 appointed Receiver

18 **IT IS SO ORDERED.**

19 */s/Benjamin Horton (by permission)*
20 BENJAMIN HORTON
21 Defendant *pro se*

22 
23 _____
24 JAMES C. MAHAN
25 UNITED STATES DISTRICT JUDGE

26 Dated: January 22, 2018